

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
119TH LEGISLATURE  
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 1878, L.D. 2614, Bill, "An Act to Establish Consistent Requirements in Maine State Retirement System Plans for Minimum Creditable Service for Eligibility to Receive Retirement Benefits"

Amend the bill in section 3 in subsection 2 in the 2nd line (page 1, line 38 in L.D.) by striking out the following: "whether or not in service at retirement who" and inserting in its place the following: ', whether or not in service at retirement, who'

Further amend the bill in section 3 in subsection 2-A in the 2nd and 3rd lines (page 2, lines 8 and 9 in L.D.) by striking out the following: "whether or not in service at retirement who" and inserting in its place the following: ', whether or not in service at retirement, who'

Further amend the bill in section 6 in subsection 1-A in paragraph B by striking out all of the first 2 lines (page 3, lines 21 and 22 in L.D.) and inserting in their place the following:

'B. The member has at least 5 years of creditable service and;'

Further amend the bill in section 9 in subsection 3-A in the 2nd and 3rd lines (page 4, lines 37 and 38 in L.D.) by striking out the following: "whether or not in service at retirement who" and inserting in its place the following: ', whether or not in service at retirement, who'

Further amend the bill in section 14 in subsection 3 in the 2nd and 3rd lines (page 7, lines 28 and 29 in L.D.) by striking

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out the following: "whether or not in service at retirement who"  
and inserting in its place the following: ', whether or not in  
service at retirement, who'

Further amend the bill in section 18 in paragraph E by  
striking out all of the first 5 lines (page 8, lines 28 to 32 in  
L.D.) and inserting in their place the following:

'E. Has at least 5 years of creditable service, which, for  
the purposes of determining completion of the 5-year  
requirement, may include creditable service as a member of  
the Maine Legislative Retirement System, and:'

Further amend the bill in section 21 by striking out all of  
paragraph D (page 9, lines 9 to 21 in L.D.) and inserting in its  
place the following:

'D. Has at least 5 years of creditable service, which, for  
the purposes of determining completion of the 5-year  
requirement, may include creditable service as a member of  
the Maine Legislative Retirement System, and:'

(1) Was in service on October 1, 1999;

(2) Had left service prior to October 1, 1999 with or  
without withdrawing contributions and on or after  
October 1, 1999 returned to service; or

(3) Was first in service on or after October 1, 1999.

Further amend the bill in section 22 in subsection 3 in the  
2nd line (page 9, lines 27 in L.D.) by striking out the  
following: "whether or not in service at retirement who" and  
inserting in its place the following: ', whether or not in  
service at retirement, who'

Further amend the bill by inserting after section 23 and  
before the summary the following:

**'Sec. 24. Expenditures in excess of allocations.** Expenditures of  
funds required by this Act other than the General Fund are  
authorized to exceed legislative allocations during the fiscal  
year ending June 30, 2001. Appropriate adjustments to basic work  
programs facilitating these expenditures in excess of allocations  
must be recommended by the State Budget Officer and approved by  
the Governor.

**Sec. 25. Adjustment of rates.** After consultation with the  
Maine State Retirement System, the State Budget Officer shall  
adjust the normal cost component of the employer contribution

rates on the effective date of this Act to fully fund this Act on an actuarially sound basis.'

Further amend the bill by inserting at the end before the summary the following:

### FISCAL NOTE

This bill lowers from 10 years to 5 years the amount of creditable service needed for members of the Maine Legislative Retirement System and the Maine Judicial Retirement System and employee members of participating local districts who were in service or became employed on or after October 1, 1999, and in some cases, employees who returned to service after October 1, 1999, to be eligible to receive a service retirement benefit at the applicable normal retirement age at which they qualify for benefits.

Reducing the minimum amount of service credit that these members must have to be eligible for service retirement benefits will increase the normal cost component of the employer contribution rate. For the Maine Legislative Retirement System, the employer contribution rate is an increase of 0.34%. Because of the overfunded status of the legislative plan, the employer contribution rate will not be affected. For the Maine Judicial Retirement System, the employer contribution rate is an increase of 0.04%. This increase is prospective only and whether the employer rate will in fact be higher in the next biennium will depend on the combined effect of all of the factors that affect employer rates. For participating local districts, the employer contribution rate will increase 0.1%. These costs will be paid in fiscal year 2000-01 from funds previously made available to the Maine State Retirement System for this purpose. Beginning in fiscal year 2001-02, the increase in the employer contribution rate will become part of the rate calculations. Whether the employer rate will in fact be higher in the next biennium will depend on the combined effect of all of the factors that affect employer rates.'

### SUMMARY

This amendment is the majority committee report. It clarifies language in the bill describing the manner by which a state employee, teacher, participating local district employee or judge who is a member of the Maine State Retirement System and who had less than 10 years of creditable service on July 1, 1993 qualifies for a retirement benefit.